DMSMS Community

Status of Activities

To

PSMC 16Nov2006

Outline of Briefing

- Background-why is this important
- What DOD is doing
- What we are asking Services to do
- How we are trying to work with Allies
- What we are asking Industry to do
- Concept of the Operation
- What the Tiger Team is doing
- Way Ahead

USD/ATL launched us…

8/16/2004 Policy memo

Business Objectives

To address this challenge, I direct the Total Life Cycle Systems Management (TLCSM) Executive Council to form a subgroup to achieve the following objectives:

1. Define DoD microcircuit requirements (short and long term) and develop a technology roadmap for all weapon systems.
2. Create consistent predictive techniques for testing, configuration database management, preferred parts lists, and preferred suppliers to control product development, upgrades, and redesigns.
3. Develop and manage the industrial base and organic capability necessary to assure product availability.
4. Optimize the relationship between organic supply and redesign/repair capabilities.
5. Make recommended changes to organization, policy, procedures and design rules to fulfill the above.

Roles And Responsibilities

1. Commodity Council/DMEA: Engineering Solutions
2. DSPO/GIDEP/: IT Enablers
3. DSCC/IST: Supply and VME Solutions
4. DMEA/Commodity Council: Engineering Solutions

USD/ATL launched us…

7/23/2005 policy memo

Subject: Diminishing Manufacturing Sources and Materiel Shortages (DMSMS) Working Group Charter

On August 16, 2004, the Total Life Cycle Systems Management (TLCSM) Executive Council was directed to address the challenges of obsolescence within DOD Weapon Systems, a problem we also describe and is widely known as Diminishing Manufacturing Sources and Material Shortages (DMSMS). Where pro-active DMSMS management efforts are employed, the impact on readiness and the spending to achieve it is mitigated; where the management efforts are merely reactive, DMSMS impacts on readiness and the associated spending are harmful.

Since that time, positive steps have been taken to facilitate the achievement of the business objectives in the aforementioned directive. Among them are the following:

1. Issued the DMSMS Guidebook for Program Mangers, available on the Defense Acquisition University (DAU) website at http://acc.dau.mil.
2. Made available web-based and instructor-led training modules in support of the Continuous Learning Credits Program at DAU.
3. Established an organization that oversees the development of the DMSMS Center of Excellence (COE) to ensure the COE's products and services meet the requirements of the DMSMS Community worldwide.

There is more work required, and the attached charter creates a formal organization to ensure successful DMSMS management. Working Group membership includes representatives from other government departments and agencies because we share a common challenge and desire to share in the development of solutions to DMSMS obstacles. This Working Group is the centralized focal point for DMSMS mitigation planning, policy, and guidance for DoD.

I urge your support of the DOD DMSMS Working Group so that our strategic goals in this important area will be achieved.

Kenneth J. Krieg

Charter Says:

- **Purpose and Scope:**
  - This Charter identifies and establishes the Diminishing Manufacturing Sources and Material Shortages (DMSMS) Working Group (WG) as the centralized focal point for DMSMS mitigation planning, policy, and guidance for the Department of Defense (DoD).
  - Develop recommendations to DoD policy and procedures to reduce DMSMS risks and impacts and to encourage aggressive and proactive management of DoD systems by government personnel and with industry advice.
- **Functions:** Meet on a quarterly basis to plan and execute its responsibilities, the Working Group performs the following functions:
  - Develop objectives to institutionalize the DMSMS program and publish them in the DMSMS Working Group Strategic Plan.
  - Promote the utilization of efficient DMSMS management practices through education, training, awareness, and sponsoring DMSMS conferences for data exchange and DMSMS staff education.
  - Serve as the DMSMS problem and solution set Champion for Government and Industry.
  - Identify, define, and establish DMSMS activities and functions as required, to enhance the efficacy and cost-effectiveness of obsolescence mitigation within the DoD.
  - Conduct ongoing selected assessments of adequacy and effectiveness of obsolescence (DMSMS) risk mitigation efforts of Programs and help them to be as good as they can be.
  - Coordinate with other OSD-sponsored initiatives and/or functions as appropriate.

Each Component and the WG have a strategic plan to achieve these noble goals and purposes.

DMSMS Organization

OSD Leadership

__ DUSD/L&MR

__ ADUSD(L&MR)/LPP

Director, DSPO

Committee Structure

Outreach: Training, Assist Visits, Work Shops, Awards

Common Use Tools

Mfg Networks Integration: Connect capable networks to mechical problem parts (aka “degraders”)

Conference: Morph into annual TLCSM Conference

Data Interoperability: data exchange protocols, ally access to GIDEP

OEM Participation: get supply chain to share key data via GIDEP

Memberships

Voting Members

- **AF-**
- **Army-**
- **Navy-**
- **Marine Corps-**
- **DLA-**
- **OSD-**

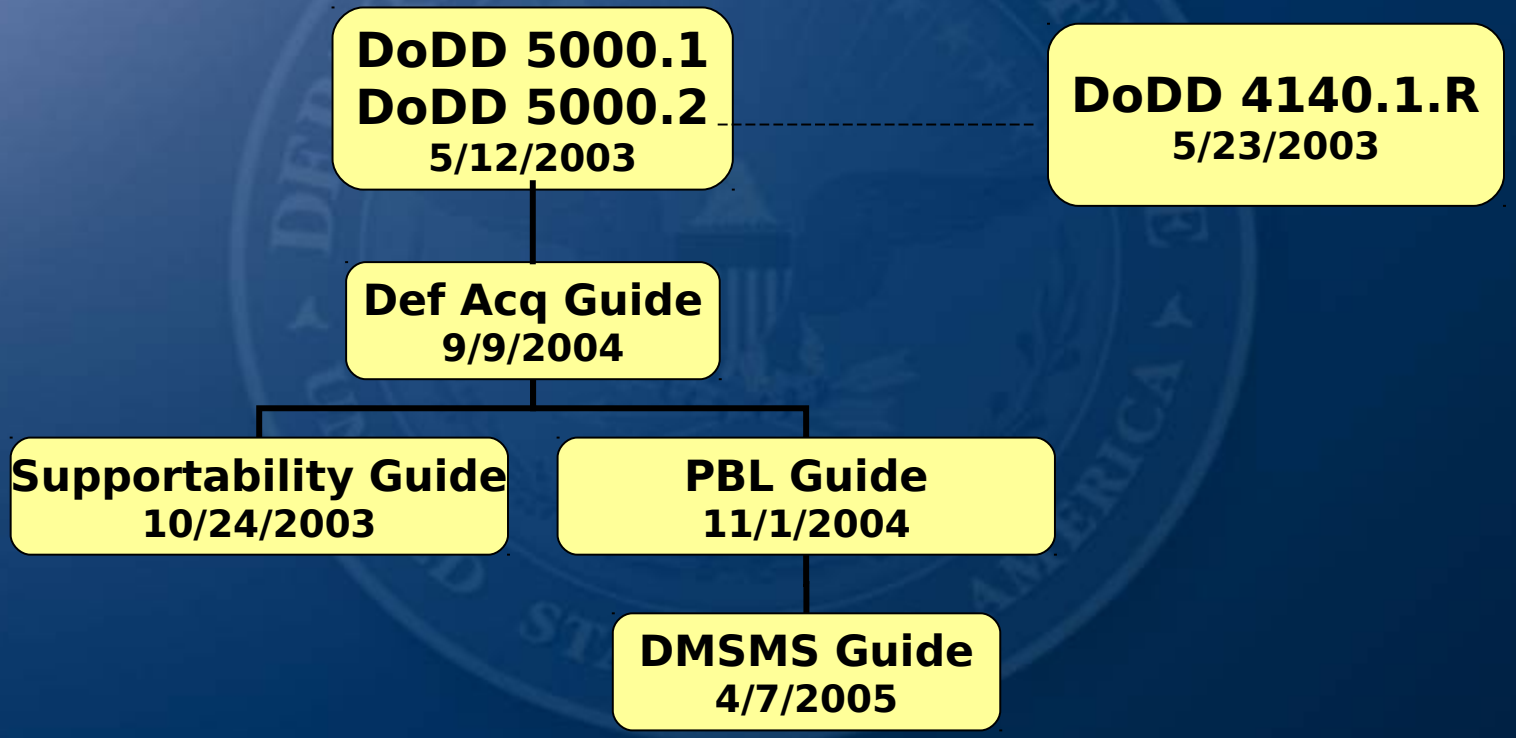
Advisory Members (7)

Associate Members (14)

Industry Liaison (9)

Academia (2)

Hierarchy of Key Publications

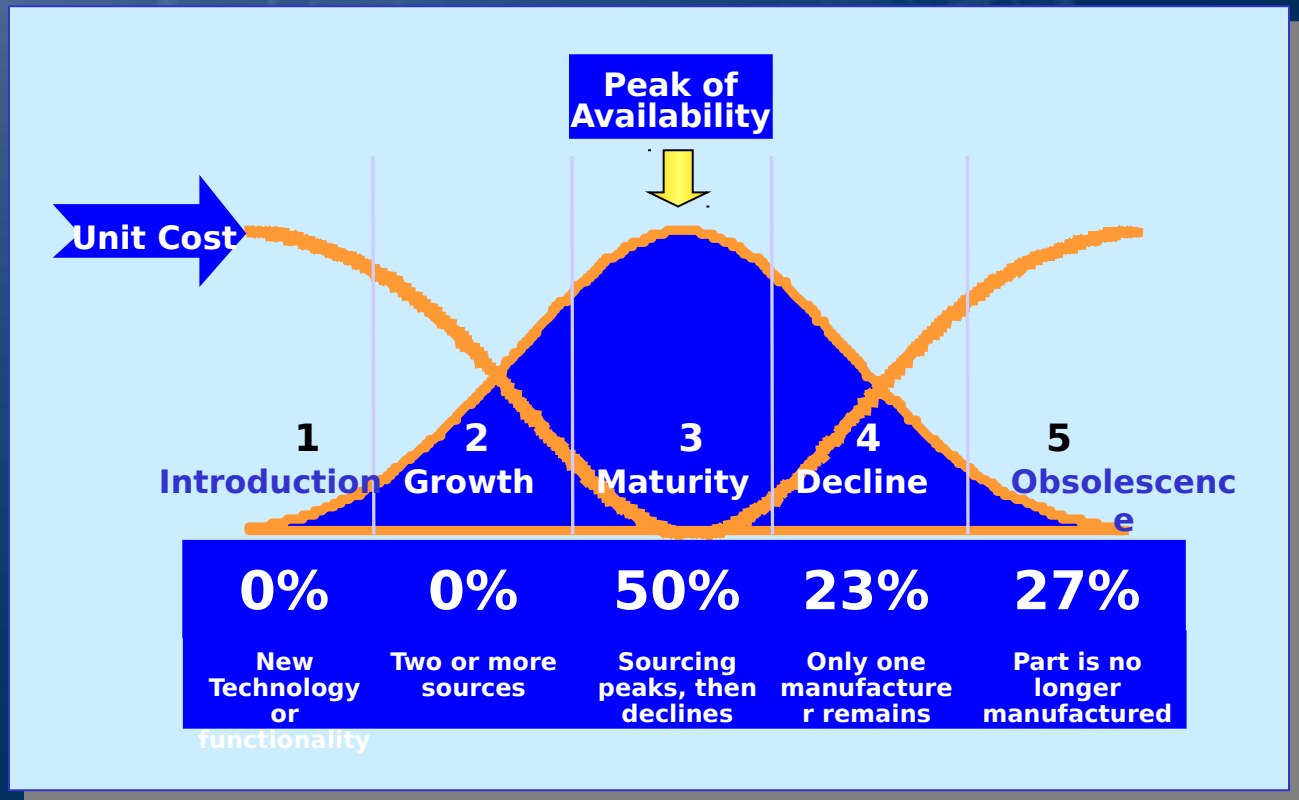


Policy Environment

- Key language we invoke:
  - DoDD 5000.1 and .2. Directs programs to be pro-active.
  - DAG: para 5.2.1.5. "…Successful parts management addresses diminishing manufacturing sources and material shortages…"
  - PBL Guide: page 14 mentions DMSMS by name as an item of concern to be managed pro-actively.

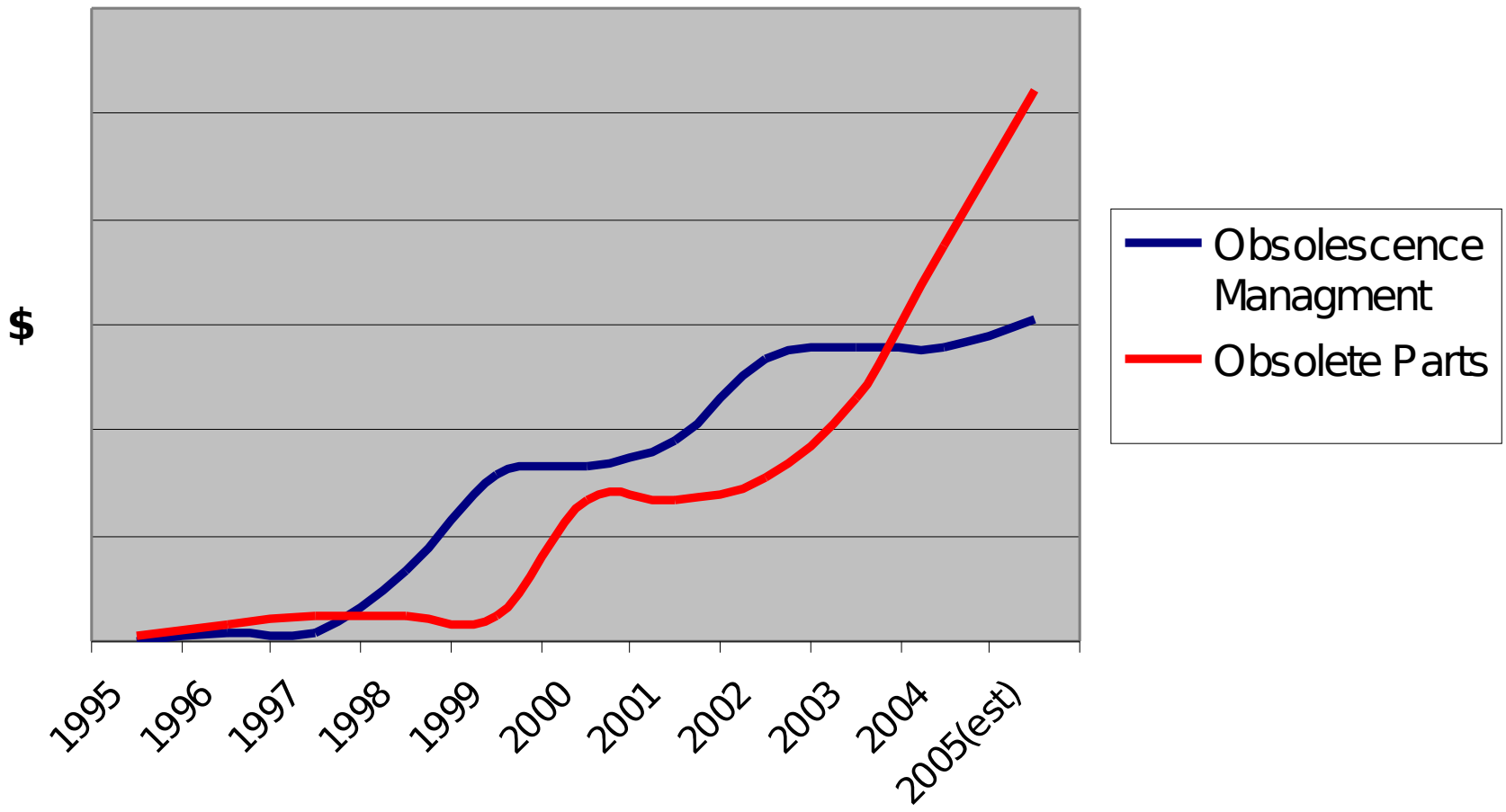
Why Manage DMSMS At All?

- Current Status of a Sample of Components in our inventory from a Legacy Avionics Program (27%)
- Observation: 1996 Obsolescence ranged from 10% to 20%, today 20% to %30



Current Status Source: i2 TACTRAC (March 28, 2005)
Observation Source: ARINC (June 28, 2006)

Cumulative Spending



Source: ARINC review of posted DoD Contracts >$5M from 1995 - 2005

Why it is important

- **Benefit to government** is an annual savings of $1-$10 BILLION spent on NRE to resolve micro-electronic problem parts via one of the Engineering Solutions.
- **Benefit to Primes** is improved profitability through cost reduction. A dollar of cost reduction is like $20 i

We can only spend a dollar once. Every extra dollar on Sustainment robs a dollar from Acquisition and/or Transformation.

What Is DoD Doing To Facilitate “Doing DMSMS”

- Modernizing Government/Industry Data Exchange Program (GIDEP)
  - DMSMS Shared Data Warehouse (SDW)
  - DMSMS Knowledge Sharing Portal (DKSP)
  - Data Interoperability with Allies
- Manufacturing Networks Integration Committee
- Outreach Committee-training and awareness
- Common Use Tools Committee
- Policy Initiatives Being Considered
  - Policies Being Reviewed For Revision, Replacement Or Creation

Benefits Derived from Initiatives

- DMSMS Guidebook Version 2 released
  - Contract language (includes PBL)
  - How to do DMSMS guidance
- DMSMS CBT courses available via DAU
- Predictive tool available at no charge to .mil and .gov users
- GIDEP FY05 cost avoidance results
  - Overall $81M
  - DMSMS $36M
  - Urgent Data Requests $17M
- Assist Visits can be scheduled
- Initial evidence that DMSMS Management requirements are being flowed down

What We Want The Services To Do

- Be Proactive In The Management Of Their Parts
  - Be able to provide evidence they are being so
- Share Case Resolution Data By Supporting The SDW Enterprise
  - Obsolescence Data Repository (ODR)
  - Case Management Module
  - Metrics Tool
  - Contribute to Internal Benchmark
- Identify And Recommend Changes To Common Policies
- Share Contract Language That Is Effective In Achieving Our Objectives
- Establish Respective Performance Based Logistics (PBL) Language To Mitigate DMSMS Risk

How it applies to allies

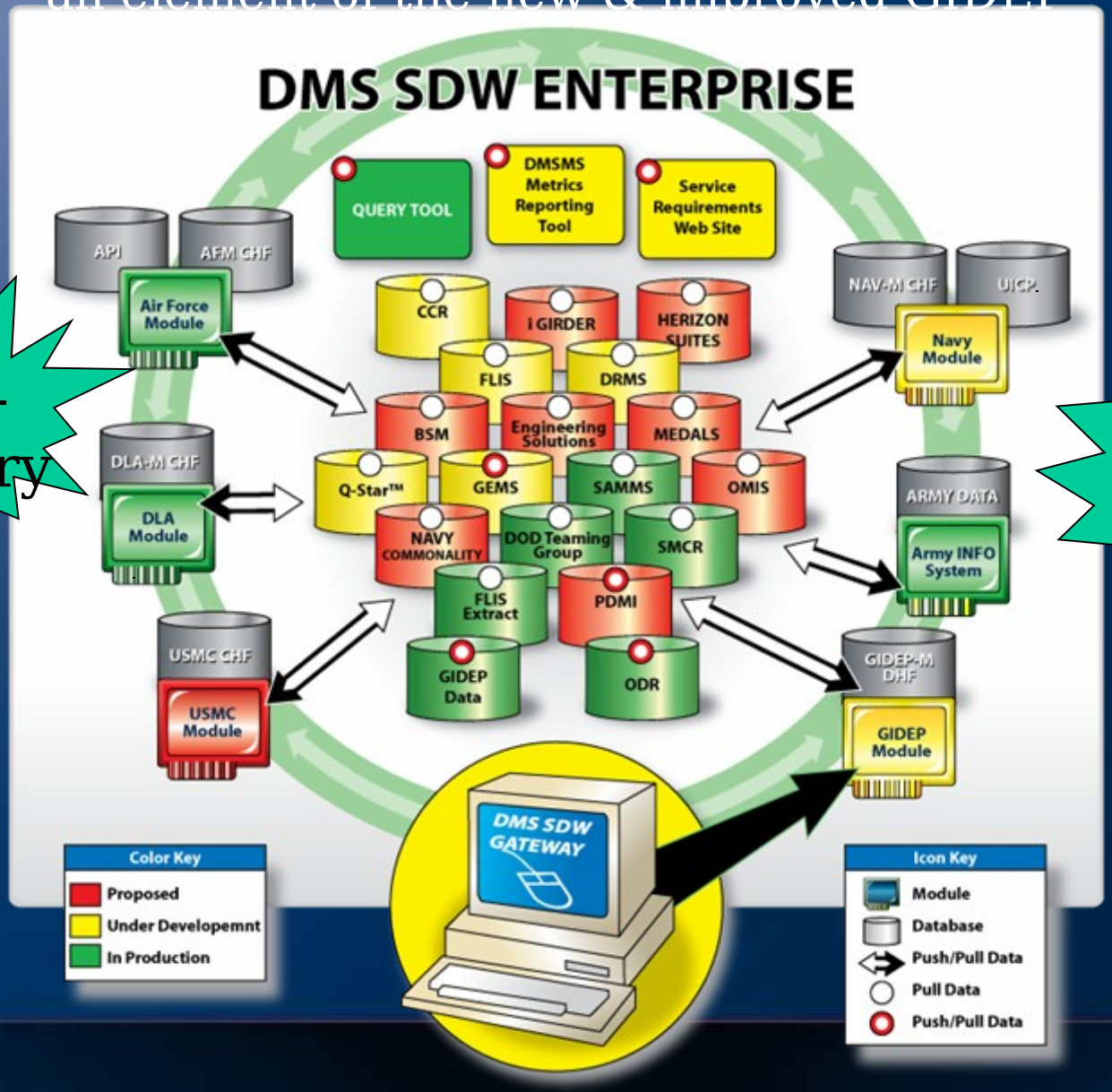
- Common platforms or systems
- Program management (champion) on both sides of the pond.
- Willingness to work with information assurance on both sides
- FMS Case office support
- Looking for pilot projects.
  - Data exchange. Fits into larger efforts--PLCSM.
  - Line up IT infrastructure
  - Share fiscal responsibility
- Bottom line Goal: Solve/Pay for problems once

What We Want Industry To Do: SHARE
using IT capability furnished by government

- Bills Of Material
- Case Resolution Data
- Production Discontinuance Alerts
- Preferred Parts Lists
- OEM participation in the Parts Management/part selection initiative
- International collaboration
- Consider Aerospace Qualified Electronic Components (AQEC) Specifications
  - July 17, 2006 Altera announces first device qualified to AQEC

Concept of Operation

an element of the new & improved GIDEP



SDW-Industry

SDW-Allies

AIA-OSD Tiger Team

- Helping us to devise a way ahead
  - Devise pilot projects to achieve goals on slide #11.
  - Looking for policy recommendations
  - Identify where there are problems in complying
  - Devise a method to track progress
- Start with Lockheed, Raytheon, Boeing, NGC and Bell who have all made verbal commitments to support this approach.
- Collaborating with the DMSMS WG OEM Participation Committee.

Way Ahead

- Roadshow
  - To sell Vision
  - Invite participation
  - POC's devise/implement pilots
- Parts Management Integration
  - More sharing of information
  - More leveraging of technology extant
  - More common use tools for decision support
- Merge Working Groups and Committees